

VZCZCXRO1249
OO RUEHCN RUEHGH
DE RUEHIN #0406/01 0811019
ZNR UUUUU ZZH
O 211019Z MAR 08
FM AIT TAIPEI
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8485
INFO RUEHBJ/AMEMBASSY BEIJING 8038
RUEHGH/AMCONSUL SHANGHAI 1918
RUEHCN/AMCONSUL CHENGDU 2543
RUEHSH/AMCONSUL SHENYANG 6513
RUEHGZ/AMCONSUL GUANGZHOU 1103
RUEHHK/AMCONSUL HONG KONG 9294

UNCLAS SECTION 01 OF 02 TAIPEI 000406

SIPDIS

SIPDIS

SENSITIVE

DEPT FOR AIT/W, EAP/TC, INR/EAP

FROM AIT KAOHSIUNG BRANCH OFFICE

E.O. 12958: N/A

TAGS: [PGOV](#) [TW](#)

SUBJECT: PRESIDENTIAL ELECTION IN SOUTHERN TAIWAN: DPP, KMT SEE
CLOSE FIGHT IN TAINAN

REF: Taipei 00371

SENSITIVE BUT UNCLASSIFIED, PLEASE PROTECT ACCORDINGLY

1. (SBU) Summary: In separate March 19 meetings with Director Young, Tainan City Mayor Hsu Tien-Tsair highlighted the DPP's big local advantage, while the city's KMT chair Cheng Ching-Jen claimed growing enthusiasm for Ma Ying-Jeou. Hsu acknowledged voters' unhappiness with President Chen but suggested Hsieh would actually best Ma at ending the Chen era. In contrast to Hsu's dismissal of Ma's recent Tainan campaign stops, Cheng stressed that Ma's "long stay" visits impressed local voters. Both Hsu and Cheng acknowledged that neither party was pushing the UN referenda strongly, although Hsu worried about implications of the referenda failing. With Tainan City a must win for Hsieh, Hsu has been campaigning all out, using Hsieh's latest attack lines to good effect throughout the Tainan area. End Summary.

2. (SBU) During his March 19 trip to southern Taiwan to discuss Taiwan's Presidential election, Director Young met separately with Tainan City Mayor Hsu Tien-Tsair and KMT Tainan City Chair Cheng Ching-Jen. Tainan City, a pan-Green stronghold, overwhelmingly supported President Chen in 2000 and 2004 and delivered both of its Legislative Yuan seats to the DPP in January 2008 elections. Hsu, who credits Chen for helping him win Tainan City's 2002 mayoral race, spent ten years studying in the U.S. and presides over a strong local economy. Cheng, a veteran KMT official, recently took over as Tainan City KMT chair to try to reverse the KMT's local fortunes.

DPP's Hsu: Greens Holding Steady in Tainan

3. (SBU) Describing the DPP's Tainan City electoral advantage, Mayor Hsu estimated the DPP's local support at 55 percent versus the KMT's 45 percent. In his 2007 re-election, Hsu noted, he beat his KMT opponent by 60 to 40 percent. For the 2008 Presidential election, the DPP hoped for 57 percent in Tainan City (Chen's 2004 mark), but 60 percent or even 64 percent (about an 80,000-vote margin) was not out of reach. Given the city's robust economy and low unemployment, Hsu was bullish about the DPP's local prospects.

4. (SBU) Hsu highlighted three reasons for the DPP's January 2008 Legislative Yuan election setback: opposition to President Chen, Chen's indiscrete statements, and a sluggish economy island wide. He explained that the weak economy actually began in 1993, well before Chen, and that thanks to local initiatives like the Tainan

Science-Based Industrial Park, Tainan's economy suffered less. Furthermore, if voters really wanted to end the Chen era, they should vote for Hsieh, who could marginalize Chen's subsequent influence.

15. (SBU) Hsu agreed with Director's observation that Hsieh would find it difficult trying to distance himself from Chen. Hsieh had no other choice, Hsu explained, since voters were dissatisfied with Chen. Nevertheless, Hsu insisted, voters had not given up on the DPP. Therefore, Hsieh would let Chen continue campaigning so Chen could save face and consolidate deep Greens, but he would not let Chen make any speeches to minimize any chance of further controversy.

16. (SBU) Hsu commended Hsieh's strategy focusing on one-party dominance, the one-China market, and the credibility of Ma and Siew's statements ("whatever they say is nonsense" - "yi pai hu yan"). The one-party issue would remind voters of the KMT's traditional arrogance; the one-China market controversy would prompt professionals, worried about future job prospects, to desert Ma; and Ma's clumsy handling of his green-card matter would cause voters to question his credibility.

17. (SBU) Commenting on Ma's campaign visits to Tainan, Hsu scoffed that Ma had been to Tainan so many times, he had lost count. The visits were too short for Ma to establish any grass-roots relationships. He dismissed the highly publicized defection of Wang Chang-Kun, chairman of Tainan City's Doctors' Association, from pan-Green to pan-Blue. Wang's endorsement may help KMT propaganda outside of Tainan, he stated, but Tainan citizens knew that Wang had little local influence.

18. (SBU) On the UN referendum, Hsu commented that few party

TAIPEI 00000406 002 OF 002

leaders, save Chen, were promoting it aggressively. Without the push, the referendum was unlikely to pass. Hsu said Hsieh was aware of the international community's concerns and planned to set the matter aside. Nevertheless, Hsu complained, China continued to restrict Taiwan's international space. If the referendum failed, the international community would take Taiwan's predicament less seriously.

KMT's Cheng: Focus on Ma and DPP Dirty Tricks

19. (SBU) Tainan City KMT Chair Cheng Ching-Jen believed that during the last four years, the gap between the KMT and DPP in Tainan had narrowed. While President Chen won Tainan City handily in 2004, the pan-Blue in 2008 lost the Legislative Yuan election party tally by only 12,000 votes and the district tally by just 7,000 votes. For the 2008 Presidential election, he hoped the KMT could secure up to 48 percent of the city's vote by capitalizing on voters' desire for change. The sluggish economy was the KMT's best issue locally, he underscored, noting that even in Tainan City, Mayor Hsu had amassed a 31 billion Taiwan dollar (one billion USD) debt.

110. (SBU) Cheng applauded the success of the KMT's March 16 Tainan City rally. Large numbers of young people were among the estimated 30,000 KMT supporters participating, he noted, a shift from 2004. By contrast, the DPP's March 15 Tainan rally was sparsely attended, he claimed, and the DPP's follow-on rally on March 16 lacked the passion of the DPP's 2004 effort. Cheng praised Ma for visiting Tainan City frequently following the January LY elections. According to Cheng, Ma's personal touch, sincerity and simplicity impressed local voters and boosted local campaign morale.

111. (SBU) Noting that Hsieh had no local connection with Tainan City, Cheng suggested that President Chen's local popularity would not transfer to Hsieh. He dismissed Hsieh's attack on one-Party dominance, mentioning that in the U.S., one party frequently held both executive and legislative power. He defended KMT legislators' behavior at the DPP's Taipei Headquarters, explaining that legislators had the right to investigate financial irregularities. He commented that the UN referendum would not hinder the KMT's campaign efforts. While the KMT supported its own version of the

referendum, it did not have the time or energy to promote it actively. All focus was on the Presidential election.

¶12. (SBU) Confident of Ma's victory island wide, Cheng highlighted KMT concern over possible last-minute DPP "dirty tricks." For example, Cheng feared Hsieh might take to the airwaves on election eve pretending to brandish Ma's green card. Unlike 2004 (after the Chen shooting incident), the KMT was prepared to respond quickly. In Tainan, three-wheeled vehicles broadcasting KMT counterattacks were ready to deploy throughout the city at a moment's notice. To maintain momentum, the KMT planned to hold a large Tainan City election eve parade.

Comment

¶13. (SBU) Barring a major upset, Hsieh will win Tainan City. President Chen, neighboring Tainan County's native son, still captures deep-Green hearts throughout the Tainan area. Nevertheless, even strong Chen backers in the south, like Mayor Hsu, frankly acknowledge Chen's drag on the national ticket. With Kaohsiung City and Kaohsiung County still tight, a big Hsieh win in Tainan is a must. Mayor Hsu in particular has gone all out for Hsieh, using the one-party dominance theme to good effect in urban Tainan, while his surrogates stress the one-China market issue in outlying Tainan County's agricultural areas. However, local KMT contacts think the KMT's successful March 16 rally showed surprising strength for Ma in the city; if Ma can narrow his gap with Hsieh in Tainan on election night, they believe, Hsieh is likely to struggle in other key southern battlegrounds.

CASTRO

YOUNG